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ABSTRACT

This annotated bibliography is designed to assist rural leaders seeking ways to effectively structure successful job development projects in their communities. The 120 entries are listed in the main body alphabetically by author, and are grouped in the index into categories reflecting Thomas's "seven hallmarks of successful rural development": (1) job training, improving skill levels, and incorporating education; (2) industrial recruitment and seeking new businesses; (3) capitalizing on existing resources and businesses; (4) adding value to existing products; (5) rural leadership development; (6) aggressive grantsmanship, cash transfer strategy, and financing; and (7) pursuing new and innovative concepts. Entries include journal articles, government reports, rural development agency reports, research foundation reports, conference papers, and books. Many items were located through electronic searches of major databases (e.g., ERIC database and Sociological Abstracts). An introduction summarizes the findings of the literature concerning public funding, job grants, fast versus slow growth, tax incentives, locally generated jobs, value added projects, business recruitment, determinants of industrial location, community research, the relationship between education and work, and education needs for specific jobs. (SV)

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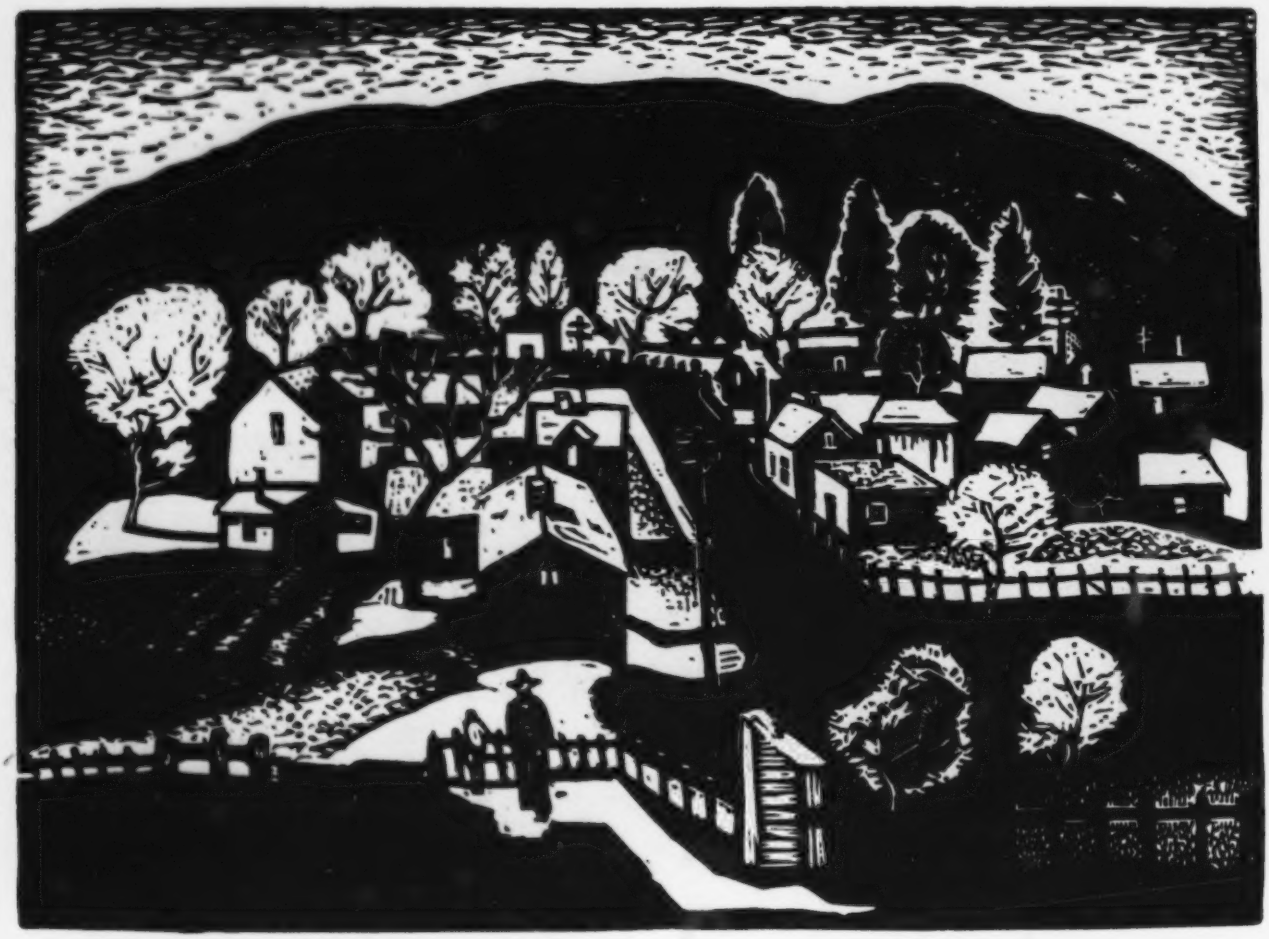

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Job creation in rural areas

A select annotated bibliography

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Job Creation in Rural Areas

A Select Annotated Bibliography

This annotated bibliography is designed to assist rural leaders who are seeking ways to effectively structure job development projects in their communities that, based on current research findings and actual project experiences, stand a good chance of success. The literature reviewed deals mainly with the factors, or determinants, that give rise to new or expanded jobs -- and increased incomes -- in rural America.(1)

To a great extent, revitalization of rural America, or even the survival of rural communities, calls for the expansion of income and employment opportunities.

A comprehensive rural economic development policy has yet to be written [89]. While the research studied demonstrates that there is sufficient information available to support encouragement, as well as ideas, for getting individuals and communities started on rural economic development, no single strategy can be advocated for the local rural development practitioner.

Still, the research reveals that a number of strategies are producing positive results. Among those rural communities that are succeeding, a few general conclusions can be drawn:

- community leadership education/rural development expertise can, and should, be taught and learned [23, 70, 89, 96, 98, 106];
- an educated labor force is a major plus [45, 61];
- flexibility and adaptability are required of local governments, the private sector, and other rural development partners [113];
- diversification of the local economy is important [11, 23, 54, 112];
- government-provided incentives, effectively applied, can have a positive impact [53, 58, 80];
- retention and expansion of existing businesses are the best first steps [3, 223, 24, 40, 99];
- look broadly at tax incentives [50, 73, 81, 87];
- attracting outside employers depends upon a solid infrastructure, access to telecommunications, and quality of life factors [89].

Prepared by John Pankratz
Oregon State University

Organization

The organization of the bibliography (2) follows the research findings of Margaret G. Thomas, Project Leader, Midwest Research Institute, in her guidebook of selected successful rural area initiatives entitled Profiles in Rural Economic Development (1988). Thomas defines what she calls "seven hallmarks of successful rural development," and these hallmarks have been adapted to form the basis for the classification of the selections in this bibliography:

1. Incorporating Education/Job Training/Improving Skill Levels
2. Industrial Recruitment/Seeking New Businesses
3. Capitalizing on Existing Resources/Existing Businesses
4. Adding Value to Existing Products
5. Rural Leadership Development
6. Aggressive Grantsmanship/Cash Transfer Strategy/Financing
7. Pursuing New/Innovating Concepts

In addition, the bibliography contains an eighth category -- General ["G"] -- which encompasses practically all seven categories, or macroeconomic issues, and other subjects indirectly related to rural job creation.

Each bibliographic entry is given a number, which appears in brackets at the end of the annotation and which corresponds to an appropriate job-creation category. Recognizing the interrelatedness of these eight broad groupings, a specific annotation may be assigned to more than one category. In such cases, the entry is referenced by the category numbers in order of major emphasis -- e.g., [7,1] indicates that the article deals mainly with new or innovative job-creation concepts (7) but also incorporates education and/or job training (1).

Bibliographic entries are listed alphabetically by principal author. The reader can easily peruse the annotated articles and select those of greatest interest by:

1. Using the category designation appearing in the lower left corner of each annotation, or

2. Referring to the index, where each entry within a category is listed alphabetically by author and corresponding page number.

Obviously, the categories can, and do, overlap. However, the short-term solutions are more adaptable to a "let's get going" approach, while the long-term remedies, more deeply rooted in classical growth theory, have wider application to a diversity of rural area characteristics [36]. Both views may be necessary, however, as short-term successes may whet the local appetite for community action leading to more comprehensive economic development. Alternatively, early identification of common goals within rural areas can promote community activity and solidarity, important elements in attracting employment [67, 88, 97].

A summary of the findings

Public funding

The discussion on public funding and cash transfer strategy aimed at job growth, for example, is focused largely on timing and targeting elements [4, 8, 14, 119]. There is evidence of rigid, poorly-timed public expenditure programs that lead to either inefficiencies or very high costs for every new job created. On the other hand, success stories demonstrate that flexible financing instruments, occasionally involving local business development organizations, combined with high levels of entrepreneurship and a rapid process of technology transfer, can lead to relatively rapid job creation [59, 80, 94, 112, 118]. Experience also shows that development grants may take at least three years to register a significant employment effect [12].

Job grants

Furthermore, on the subject of job targeting, the literature distinguishes between subsidizing capital (i.e., cash incentives to businesses) and directly subsidizing labor [17, 26, 85, 110, 115]. Government funding programs that feature both forms of subsidies are believed to play a role in job creation. Further, targeted employment grants can be cost-effective in comparison to the more expensive general grants. However, immediate results from direct job grants may prove to be only temporary since long-term success depends on the improvement of the overall economy [35].

Fast and slow growth

Another funding distinction occurs between fast- and slow-growing areas. In rapidly growing rural counties, direct development investments are thought to be better directed to manpower training, whereas in slow-growing rural counties, the impacts of employment grants to businesses can be relatively large, even in those counties ordinarily considered "beyond hope" [7]. Often overlooked is the impact of transfer payments (i.e., social security or other unearned income sources) that can lead to new jobs, particularly in the service-producing industries. This is especially pronounced in those communities that attract the elderly [54, 56, 57, 90, 103, 108].

Tax incentives

The literature on tax incentives (i.e., resulting from tax differentials between areas or states) is contradictory -- positive impacts are recorded in some studies, while other research concludes that such tax innovations are neither efficient nor equitable for economic development [50, 53, 58, 73, 81, 87].

Locally generated jobs

Many of the best rural economic development efforts are directed toward existing businesses and new, small enterprises owned/operated by local residents [3, 13, 25, 48, 60, 75, 76, 94, 104]. These may include assistance to nonmanufacturing businesses (i.e., services) through training and business visitation programs intended to increase the effectiveness of efforts to preserve and generate local jobs [44, 105]. Moreover, analytical tools have been developed to help local leaders assess their options in developing the community's commercial sector. Several other successful job-creation endeavors have in common the innovative tapping of the wide diversity of existing resources that are found in America's rural areas, including natural, historic, and ethnic resources; vacant buildings; businesses; and unique human resources [113].

Value added

Value-added projects, such as irrigation development, food processing, and market expansion of locally produced goods and services, can contribute to income and job growth *without* having to attract outside businesses. Also, studies on farm labor show that economic incentives to attract such labor to

nonfarm jobs can be very effective [109]. The implications go beyond mere additions to the labor force, as farm entrepreneurs may respond favorably to economic incentives to start new, local, nonfarm businesses [39]. However, no new evidence was found to demonstrate that areas of rapid rural growth favor the retention of rural youth [100].

Employment recruitment

Industrial recruitment, or the attraction of new manufacturing businesses largely financed with public funds and other economic incentives, has been viewed as one of the most viable strategies for long-term job creation in nonmetro areas [15]. There is strong evidence that rural areas can be successful in competing with metro areas in this endeavor. Even "star" industries, such as high technology manufacturing, can be attracted to rural areas as these industries evolve through their product life cycles, use less skilled-labor and seek expansion in areas with relatively low land costs [5].

Influencing location

Research in location theory has largely focused on the determinants of industrial location. In addition to low labor and land costs, horizontal linkages with major markets and other communities, which are related to infrastructure development such as highways, modern telecommunication systems, and other extralocal systems, are found to play a major role in attracting manufacturing as well as service-producing employment [9, 28, 33, 47, 52, 99]. Further, the ability to guarantee a trained local work force to a new company is seen as a key incentive during site selection negotiations, which, in turn, is linked to population size and local educational opportunities [45, 61]. More controversial is the role of a "quality living environment." The restructuring of New England's economy serves as an example as job growth moves from the Snowbelt to the Sunbelt [19, 32, 55, 92, 107].

Community research

Research offers additional tools to help rural leaders identify those community characteristics that have drawing power, permitting a tailored, highly specific development approach [38, 49]. These tools include a software system that matches industry requirements (with 118 economic development variables) and community characteristics [46]. Further, research has discovered significant errors in published employment data which suggests that conducting separate local surveys can be more effective in attracting new industries and jobs into rural regions [63, 65].

Education and jobs

Finally, there is broad agreement that the strongest case for public investment in job creation can be made for investment in education and vocational training programs that highlight human resource development [23, 29]. This important foundation for economic development is considered the greatest challenge for rural communities. Successful short-term rural employment and specialized training programs are cited in the literature, including individualized counselling and job search assistance, as well as innovative concepts to train local business managers about establishing goal frameworks and improving their potential growth [79]. Model education programs in the Midwest that assist commercial farmers who were effected by massive economic failures in agriculture, stress "home grown" projects, with regional networking among educational institutions and funding agencies [106]. Joint ventures between two-year colleges and businesses are also cited as offering a competitive edge for rural economic development [31, 70]. Generally, community colleges as well as University Extension agencies are often found to be active elements in those rural areas where growth is occurring.

Tie education to specific jobs

However, without major program adjustments, education cannot be viewed as the universal solution to revitalizing rural America. Certainly the connection between potential job availability and higher educational and training expenditures must be considered, given a mobile labor force (i.e., especially rural youth and more highly skilled workers). To be more

effective, educational efforts must recognize the strengths and disadvantages of rural people, initiate better state and local coordination, and improve job recruitment and targeting mechanisms [34, 95, 98].

In summary, the literature suggests that social scientists are indeed probing a wide spectrum of potential remedies and methods for reviving rural America, while meeting unique individual or community needs. However, in seeking ways to generate new jobs and increased incomes in rural areas, the investigators often contend with contradictions, wherein the cure confounds the objectives. This is particularly true in primary resource industries such as agriculture, where a growth-enhancing technology can increase productivity but diminish the need for labor in rural areas. The proverbial "bottom line" for rural economic development rests with the local community.

The influence of federal and state policies, tax incentives, location theories, etc. notwithstanding, the fact is that rural development expertise can be learned. Perhaps, then, the first step for rural communities to take involves critically assessing the capability of local leadership to address income and employment issues, taking advantage of the available educational resources, and generating a collective, practical vision for the community's economic growth.

Many of the tools needed to help insure success exist. It's up to rural communities and the capability of their leaders to put them to use.

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(1) For a more comprehensive treatment on the general subject of rural development, the reader is referred to Rural Community Decline and Revitalization: An Annotated Bibilography (New York: Garland Publishing, Inc., 1988) by B. L. Ekstrom and F. L. Leistritz.

(2) The literature selected here was derived from several sources, including:

1. Database Search Files
   a. ERIC database (DIALOG) - supplied by Rural Information Center (RIC), Beltsville, Maryland.
   b. Sociological Abstracts - Oregon State University (OSU) library
   c. Commonwealth Bureau Abstracts - OSU library
   d. Bibliography of Agriculture - OSU library

(NOTE: In many cases, abstracts supplied by the database search services were included in the annotations in complete or abridged form.)

2. Journal Articles

3. Government Reports

4. Rural Development Agency Reports

5. Reports by Research Foundations

6. Symposia and Conference Reports

7. Books

The author acknowledges the editorial assistance of Doug Bradley, Assistant to the Chancellor, University of Wisconsin-Extension, Madison, Wisconsin.

Bibliography

1. Aho, C.M., and Orr, J.A. Trade-sensitive employment: Who are the affected workers? *Monthly Labor Review*, 104 (2), (1981): 29-46.

Estimates the impact of manufacturing trade on domestic employment opportunities during 1964-75. Found that exports of manufactured goods created job openings for workers with above-average skills, whereas imports displaced job prospects in those industries with less-skilled labor and more women and minorities. [Although not directly related to rural areas, these findings support the role of education and specialized training in rural development, particularly in export-oriented areas.] [1,3]

2. Alic, J.A., and Harris, M.C. Employment lessons from the electronics industry. *Monthly Labor Review*, 109 (2), (1986): 27-36.

Using 1965-82 U.S. employment data, analyzes trends in productivity and production worker employment in the electronics industry. Concludes that advances in technology create jobs for skilled workers. On the other hand, imports cost U.S. jobs when much of the technology is conventional and is accessible to firms in many parts of the world. [Although not directly related to rural areas, these results support the role of education and specialized training in rural development, even for attracting high technology industries.] [1,3]

3. Anderson, R., and Barkley, D.L. Rural manufacturers' characteristics and probability of plant closings. *Growth and Change*, 13 (1), (1982): 2-8.

Suggests that plant closings are not random events over which the community has no control. Found that rural areas near population and production centers can reduce the probability of plant closings by increasing the proportion of their employment from locally owned firms, especially those producing nondurable goods. [3]

4. Bamberger, R. *Job creation and public works investment: A review and analysis of the literature*. Washington, DC: The Urban Institute, 1984.

Evidence suggests that about 22 percent of public funds spent on public works construction activities have been used for on-site labor. Further, a maximum of 33,000 person-years of direct employment can be expected from $1 billion (omitting reductions for substitution and displacement) with most of the jobs held by previously unemployed skilled workers. Overall, the study concludes that public works programs doubling as employment generators are faced with a difficult mission of timing and targeting. [6]

5. Barkley, D.L. The decentralization of high-technology manufacturing in nonmetropolitan areas. *Growth and Change*, 19 (1), (1988): 13-30.

Uses shift-share analysis to determine whether high-technology manufacturers have relocated production to rural areas, based on 1975-82 U.S. employment data. Found that employment in this sector increased by more than 13,000 as a result of decentralization. Small and medium sized nonmetropolitan counties and areas in New England, the South, and the West experienced the greatest gains. The characteristics of participating regions and industries were found to be consistent with the product

life-cycle theory of spatial decentralization, i.e., employment in mature high-technology industries shifted to areas with relatively low land and labor costs, while industries in their growth and innovative stages remained close to the sources of skilled labor and specialized inputs. Concludes that the potential of high-technology industries as a source of nonmetropolitan employment is generally positive so long as these industries evolve through their product life cycles and become less skilled-labor intensive. [2]

6. Barkley, D.L., and Helander, P.E. *The role of commercial bank loans in nonmetropolitan economic development.* Tucson: University of Arizona, Agricultural Experimental Station, 1985.

The Granger test for causality, a statistical technique that attempts to identify cause-and-effect relationships, was applied to 1975-80 loan and retail sales data for 27 nonmetropolitan Arizona communities to determine whether banks have played an active or passive role in community development. Regression results for Arizona indicate that bank lending was sensitive to past local economic activity. No statistical evidence was found to indicate that bank lending leads local economic development. [7]

7. Barrows, R.L., and Bromley, D.W. Employment impacts of the Economic Development Administration's public works program. *American Journal of Agricultural Economics*, 57, (1975): 46-54.

Economic theory was used to identify the potentially important variables in explaining the success of public works projects in attracting industry and creating jobs. A multiple regression model provided the basis for examining the influence of these variables on the employment impacts of EDA public works projects. Found that employment impact increased with distance from a major city or town (contradicting the growth center strategy) and increased as the population of the more distant counties concentrated on towns of 2,500 or more residents. Suggests that rapidly growing counties should direct funds to manpower training and labor-market information. Employment impacts were relatively large in counties ordinarily considered beyond hope. No single economic development strategy was advocated. [6,2]

8. Bassi, L.J. *Evaluating alternative job creation strategies*. Washington, DC: The Urban Institute, 1982.

Considers the costs and employment effects of a wide variety of federally funded job creation programs that target pockets of unemployment. Conventional analysis of the firm is used to develop mathematical expressions for the employment effects of two major categories of job creation programs: wage subsidies and block grants. Using 1978 data, parameters estimated from the empirical literature are employed to determine the cost effectiveness of alternative job programs. Fiscal substitution is the key parameter affecting employment grants, while budget elasticity, wage elasticity, and the elasticity of substitution are the key parameters for wage subsidies. The study concludes that it is relatively inexpensive to create jobs using either marginal subsidies or targeted employment grants. On the other hand, job creation under general wage subsidies or untargeted employment grants is very expensive. [6]

9. Beale, C.L. Americans heading for the cities, once again. *Rural Development Perspectives*, (June 1988): 1-6.

Shows that the sharp decline in rural population growth in the 1980s, especially in 1983-86, was offset in nonmetro retirement counties and in counties that were within commuting range of metro jobs. [This study supports other research related to the importance of infrastructure development, particularly highways, in rural development strategies.] [G]

10. Bender, L.D. The role of services in rural development programs. *Land Economics*, 63 (1), (1987): 62-71.

Reviews the literature on the role of service-producing industries in rural development and derives two critical assumptions. The first is that the income elasticity of demand favors services over goods as per capita income increases. The second divides the previous argument into two opposite camps. On the one hand, the new rural development perspectives (assuming that services are footloose) lead to decentralization. Alternatively, traditional theory holds to a continuation of a centralization of services in large cities. The data indicate a centralization of services in the more urbanized areas within nonmetropolitan regions. Concludes that direct subsidies to service activities may be an inappropriate regional development emphasis. Further suggests, however, that the future of services in some rural economies continues to be attractive, particularly where income unrelated to employment (i.e., retirement) becomes more important in future years. [6,G]

11. Bergland, B. Rural economic development and the American farmer. *Forum for Applied Research and Public Policy*, 1986, 1 (2): 86-91.

The author, Executive Vice President and General Manager of the National Rural Electric Cooperative Association and a former U.S. Secretary of Agriculture, discusses the plight of U.S. farm families subjected to excessive debt and falling prices. In response to the situation, private/public partnerships such as rural electric cooperatives--which can play a vital role in the revitalization of the rural economy--must be re-established. Emphasizes that overall economic development may be as important to the futue of rural America as federal programs designed specifically to assist agriculture. [7]

12. Bickford, D., Clapp, J., and Vehorn, C.L. An econometric analysis of regional employment effects of federal economic development programs. *Growth and Change*, 17 (1), (1986): 1-16.

Found that lagged employment effects (i.e., length of time needed for grants to create new jobs) from federal economic development assistance were not strong for direct loans or loan guarantees. However, economic development grants registered small, but significant, employment effects that differed by both region and industry. A lag of at least three years was observed. Overall, Federal grants helped the sector that best responded to national business conditions. [Although this study is not specifically aimed at rural areas, the response lag may apply to rural development grants.] [6]

13. Birch, D.L. *Job creation in America: How our smallest companies put the most people to work*. New York: The Free Press, 1987.

Analyzes the nature of individual firms in the job creation/job loss process, using complete Dun and Bradstreet histories of twelve million firms from 1969-86. Concludes that the growth of relatively small firms accounted for virtually all of the net job growth in the

U.S. in the past two decades and that job creation resulted from a basic shift from firms using natural resources to firms using manufactured products to create innovative services. [G]

14. Blakenhol, B. Direct job creation in industrialized countries. *International Labor Review*, 120 (4), (1981): 425-438.

Suggests that direct public-sector job creation programs cannot reach the roots of the unemployment problem. Instead, such programs represent a transitory measure that allows the unemployed to gain time until overall economic prospects improve. Assesses government efforts in terms of whether they attain this modest objective. Concludes that direct job-creating programs, while conceived as a short-term measure, demonstrate a vigorous tendency to become permanent. Estimates of budgetary savings by governments suggest that direct job creation schemes are the cheapest way to get quick results and, on the whole, reached the kind of unemployed for which they were designed. [6]

15. Brown, D.J., and Pheasant, J. Sources of cyclical employment instability in rural counties. *American Journal of Agricultural Economics*, 69 (4), (1987): 819-827.

Examines employment instability in rural Indiana counties, using monthly data for 1970-80 and a single-index portfolio model. Results show rural counties are more responsive to systematic or cyclical employment instability than are urban counties. The higher instability is shown to be associated with lower percentages employed in manufacturing in rural counties. [G,2]

16. Brown, D.L., and Deavers, K.L. Rural change and the rural economic policy agenda for the 1980's. *In Rural economic development in the 1980's: Preparing for the future*. Washington, DC: U.S. Department of Agriculture, Agriculture and Rural Economy Division, 1987.

Compares American rural development issues over time, suggesting that the primary policy thrust has moved from revitalization in the 1970s to economic dislocation and stress in the 1980s. Recommends that human resource development and job creation be closely coordinated through regional or multi-community cooperative efforts. [G,5]

17. Bruno, A.L, and Wright, L.M. *Rural job creation: Case studies of CETA linkage with economic development*. Washington, DC: Employment and Training Administration (DOL), Office of Policy, Evaluation and Research, 1980.

Contains twenty case studies illustrating some of the contributions Comprehensive Employment and Training Act (CETA) programs have made to economic development and job creation efforts in rural areas. The studies are arranged to illustrate four economic development models: (1) the income generation model, in which CETA provided manpower for production of goods and services; (2) the infrastructure model demonstrating CETA's provision of materials and resources; (3) the promotion model showing CETA's role in new business promotion of a local area; and (4) the economic development intermediary model in which CETA provides management or technical assistance. [G]

18. Bushnell, D.S. *The emerging role of vocational education in job creation and development: State-of-the-practice report*. Arlington, VA: American Vocational Association, 1980.

Attempts to clarify the role of vocational education in job creation and development and to illustrate what part vocational educators can play and are playing. Three models for implementing or coordinating job creation efforts--single state agency, multi-agency, and local development--are described along with examples.

		Concludes by forecasting the socioeconomic trends of the 1980s and charting the implications for vocational education and its part in job creation. [1]
19.	Carlino, G.A., and Mills, E.S. The determinants of county growth. *Journal of Regional Science*, 27 (1), (1987): 39-44.	Explores the determinants of population and employment densities interregionally, using data for 3,000 U.S. counties in the 1970s. Differences among regions in economic and demographic conditions were found to explain differential regional growth in manufacturing employment. Climate preferences for sunbelt states were detected, but public policies, including those intended to promote local growth, had less impact on local population and employment than did interstate highways. [2,3]
20.	Caslin, T.A., and Green, B.L. *Local farm structure and community ties*. Washington, DC: Economic Research Service, USDA, 1988.	Offers guidance on the direction that the farm sectors of different nonmetro counties are headed and/or how they will respond to impending changes in U.S. agriculture. Suggestions are particularly useful to leaders of unclassified counties (i.e., farm counties that are neither large nor small) because controlled change can best be carried out in such jurisdictions. [5,3]
21.	Chase, R.A., and Pulver, G.C. The impact of shopping center development in downtowns of small metropolitan communities. *Journal of the Community Development Society*, 14 (2), (1983): 51-66.	Results demonstrate that the introduction of a shopping center does not assure a small community will be able to capture its retail market potential. Rather, the growth in some retail categories appears to be more a consequence of improved store management, or the addition of a single store either in or out of a shopping center. With respect to existing downtown businesses, adding the shopping center seems to have limited economic effects. [G]
22.	Cook, R.F., and Rawlins, V.L. The Job Training Partnership Act: New Federalism in transition. *Publius*, 15 (3), (1985): 97-110.	Deems the Job Training Partnership Act (JTPA) the most successful attempt by the Reagan Administration to devolve responsibility for domestic programs to states and the private sector. Examines the organizational and structural provisions of the 1982 law and assesses the program's implementation. Concludes that the JTPA program has proved to be a quasi-block grant to the states with a high level of private sector involvement. [Indirectly, this study may help rural areas in designing grant programs.] [6,1]
23.	Cooperative Extension System. *Revitalizing Rural America*. Madison, WI: Extension Committee on Organization and Policy, 1986.	Redefines the Cooperative Extension System's integrated response to rural revitalization in light of the current farm and rural economic crisis. Offers a model which shows that rural revitalization may be understood as the interaction of economic, institutional and cultural factors that are driven by technology. Education is viewed at the heart of this effort, with Extension providing the perspective, knowledge and skills to help shape the decision-making environment necessary to create rural

		opportunities. Challenges Extension to generate the same type of commitment and energy to revitalize rural America as it did to increasing agricultural efficiency. [1,G]
24.	Coppedge, R.O. *Developing local business as job providers*. Corvallis, OR: Western Rural Development Center, 1985.	Economic development efforts in small communities should be largely directed toward existing businesses and new, small enterprises created by current local residents. Since such development has difficulty securing conventional financing, leadership from an enthusiastic local development team, one which is knowledgeable and highly respected, is almost a necessity. [5,3]
25.	Cortright, J. *Small is bountiful--Manufacturing, small business and Oregon's economy*. Salem, OR: Joint Legislative Committee on Trade and Economic Development, 1988.	Small businesses are the dominant source of new manufacturing jobs in Oregon. The pattern of small firms (less than 20 employees) creating jobs, and large firms (more than 250 employees) losing jobs, has been repeated in four of the last five years. Oregon's manufacturing sector is volatile and constantly changing. On average, one in every five Oregon manufacturing jobs is created or lost each year. Report concludes that state's role may be more in the form of facilitating change than in creating jobs. [No distinction is made between urban and rural areas, but results may be useful in planning rural development projects.] [G]
26.	Couglin, C.C., and Cartwright, P.A. An examination of state foreign export promotion and manufacturing exports. *Journal of Regional Science*, 27 (3), (1987): 439-449.	Provides an empirical analysis for the calculation of export promotion elasticity of exports on a state basis. Results indicate that export promotion expenditures are having the desired effect of increasing exports. The results also support the basic rationale that economic development will be assisted via the creation of jobs. [Indirectly, results may be related to rural development, particularly for counties with a high-export component.] [7,6]
27.	Daniels, T.L., and Lapping, M.B. Small town triage: A rural settlement policy for the American Midwest. *Journal of Rural Studies*, 3 (3), (1987): 273-280.	Iowa, with a multitude of small towns struggling for survival due to a depressed farm economy, faces the choice of spreading public resources among many towns or concentrating those resources on a relative few. Based on Great Britain's experience with a key settlement policy or a triage approach, the authors recommend the creation of growth centers in rural areas, thereby limiting depopulation and promoting economic diversification. A key settlement policy involves the selection of certain villages where public and private investment and population growth will be concentrated at the expense of other rural settlements. However, such a rural development policy must overcome the major problem of lack of mobility of assets such as homes and businesses. [7]
28.	Deaton, B.J. *Strategies for strengthening the rural economy*. Testimony presented	Concludes that capital and amenities, two related forces, hold the key to nonfarm employment growth. Argues that, to a substantial

	to the Joint Economic Committee, U.S. Congress, 1985. (Available from author, Virginia Polytechnic Institute and State University, Blacksburg.)	degree, amenities are sustained by appropriate investments in infrastructure, which in turn attract new manufacturing plants and stimulate existing business and industry expansion. Suggests that land grant colleges and universities should identify and develop latent entrepreneurial talent in rural areas. Concludes, however, that such efforts must be coupled with the creation of venture capital capability, possibly through state-sponsored public-private partnerships. [2,1,6]
29.	Deavers, K.L. *Choosing a rural policy for the 1980's and '90's*. Washington, DC: Agricultural and Rural Economy Division, USDA, 1987.	Provides a discussion of the elements of a national rural policy and its likely impact on job creation. The elements include macro-policy, sectoral policy, territorial policy, and human resource policy. Concludes that macro-policy signals a long-term rural structural adjustment problem, while sectoral (i.e., agricultural) policy is unlikely to contribute significantly to job creation. However, territorial or regional policy offers some hope in terms of reducing rural disadvantage through public investment in improved information and communication systems. The strongest case for public investment can be made for education and training programs, highlighting human resource policy. [G,1]
30.	Deavers, K.L, and Brown, D.L. *Natural resource dependence, rural development, and rural poverty*. Washington, DC: Economic Research Service, USDA, 1985.	Rural counties that are economically dependent on farming or mining, or have a high proportion of federally owned land, have not grown more slowly and are not poorer than all nonmetro counties. Still, the report shows that dependence on agriculture continues to be a strong negative factor in rural counties' population growth. [3]
31.	DeLellis, A.J. (Ed.) *Rural success: Case studies of successful employment and training programs in the United States*. Richmond: Center for Public Affairs, Virginia Commonwealth University, 1988.	Contains fifteen case studies of successful rural employment and training programs. Eight of the program sites were visited by researchers; the other seven were contacted by telephone. Emphases reflected in the various cases included nonprofit corporations; roles of two-year and four-year institutions of higher education in job training and job creating; government efforts at job creation; job placement; responsibility of community-based organizations; manufacturing; new industry development; and cooperatives. [G]
32.	Dillman, D.A. Residential preferences, quality of life, and the population turnaround. *American Journal of Agricultural Economics*, 61 (5), (1979): 960-966.	Study shows that, all things being equal, Americans would prefer to live in more rural locations. Suggests that the observed turnaround in rural population in the 1970s (i.e., rural "in-migration") was effected by this residential preference, although other factors were involved and need to be quantified through joint economic/sociological research. Rural immigrants (i.e., those who move from metro to nonmetro county) are more likely to have environmental reasons, not job-related ones, for moving to a rural location. [7]

33. Dillman, D.A., and Beck, D.M. Information technologies and rural development in the 1900s. In *States' Agenda for Rural Economic Development, conference proceedings*. Lexington: University of Kentucky, Cooperative Extension Service, 1987.

Based on the premise that jobs are more likely to be created by newer, smaller (rather than larger) organizations whose major emphasis is services, study concludes that rural area characteristics will lend themselves increasingly to new industrial sites (i.e., information intensive services and small-scale industries do not require the physical infrastructures that are difficult for small communities to supply). To tap this job-creation potential, authors suggest: (1) development of rural technical information infrastructures (e.g., telecommunications capacity); and (2) development of human capacity to use modern information technology, and innovative research and demonstration programs. [2,7]

34. Drabenstott, M., Henry, M., and Gibson, L. The rural economic policy choice. *Economic Review*, (January 1987): 48-58.

Concludes that rural transition policy is the logical starting point for responding to rural economic stress. Recommends federal funding of retraining projects (administered by state agencies) and suggests that infrastructure, business development, and information dissemination programs be targeted to those rural communities that have a likelihood of attracting investment. [1,2]

35. Eckenstahler, C. A critical analysis of the SBA Certified Development Company Program. *Economic Development Review*, 2 (1), (1984): 27-31.

This analysis measures the performance of the Small Business Administration (SBA) 503 program. SBA 503 is designed to organize a nationwide network of Certified Development Companies (CDC) to serve as catalysts in economic development, marshalling the resources needed to complete economic development projects. Locally organized CDCs can sell debentures with SBA guarantees, and the proceeds can be used to help small businesses by financing part of their fixed asset needs. While statistics show that the program has more than doubled since its beginning, it seems to result in short-term benefits, such as employment growth, with potential long-term damage. [Results are not directly related to rural experiences, but may be useful in deciding on type of grants that would best serve rural needs.] [6]

36. Edwards, C. The political economy of rural development: Theoretical perspectives. *American Journal of Agricultural Economics*, 58 (5), (1976): 914-921.

Presents five theoretical bases for economic growth: (1) increasing resource availabilities; (2) advancing resource availabilities; (3) expanding markets ; (4) conquering space (i.e., location of economic activity); and (5) building institutions (i.e., a group of individuals organized to attain a goal). Suggests that rural problems persist because policymakers fail to integrate the five bases for growth into a practical rural development policy to achieve the desired rural-urban balance. Also suggests that policymakers need to be more clear about rural development goals and about the existing and proposed legislation and appropriations that act on the several bases for growth. [6]

37. Ekstrom, B.L., and Leistritz, F.L. *Rural community decline and revitalization: An*

Focuses on the socioeconomic consequences of economic decline in the rural areas of the world's industralized countries as well as

annotated bibliography. New York: Garland Publishing, 1988.

both the theoretical considerations and the practical revitalization of the affected communities (of the world's industrialized countries). Concludes that, generally, the impacts of decline are not the mirror-opposite image of the impacts of growth, including the effects on secondary economic multipliers, reduced employment opportunities on labor force participation and migration and on property values and local tax bases. Revitalization efforts were found to be difficult to generalize; however, a definite shift to a more active role by state and local agencies, and away from federal involvement, was observed. Includes 670 references. [G,3]

38. Findeis, J.L. *Rural industrialization: Issues and the role of development typologies*. Paper presented at Rural People and Places: A Symposium on Typologies, Gainsville, PA, 1986. (Available from Agricultural Economics and Rural Sociology, Pennsylvania State University, University Park.)

In theory, rural communities grouped together in a single type or classification will share an industrial profile, permitting a tailored, highly specific development approach. However, several important variables (i.e., size; supply and quality of labor; market proximity; access to transportation systems; etc.) require that an assessment of the usefulness of these typologies should initially be made in light of specific rural development goals. [Specific goals such as rural job creation may benefit from an industrial profile classification.] [2]

39. Findeis, J.L., Hallberg, M.C., and Lass, D. *Off-farm employment: Research and issues*. University Park: Pennsylvania State University, Agricultural Economics and Rural Sociology, 1987.

This survey of recent research analyzing factors that may affect off-farm labor participation and labor supply decisions among U.S. and Canadian farm operators and spouses found level of education to most consistently have a positive influence on off-farm employment participation. However, it is argued that if education improves both on-farm and off-farm labor productivity, resulting in both a higher imputed on-farm and off-farm wage, then the education effect may be less than expected. The studies surveyed are representative of the empirical analyses characteristic of off-farm employment research (83 references cited). The research is broadly grouped into five sets of off-farm labor participation determinants: (1) individual characteristics; (2) family characteristics; (3) financial characteristics of the farm family; (4) characteristics of the farm operation; and (5) area of location characteristics. [3,1]

40. Flora, C.B., and Darling, D.L. Community capacity building to take advantage of opportunities for agricultural and rural development. In *Conference Proceedings, Interdependencies of Agriculture and Rural Communities in the Twenty-First Century: The North Central Region*. Ames: Iowa State University, 1986.

Suggests that rural communities interested in quality of life should be encouraged to retain, expand, and create local firms with local capital as a base, as opposed to launching efforts to attract outside industries to locate in their areas. Also stresses the tri-partite nature of locally based community economic development as possessing: (1) an umbrella community organization; (2) local entrepreneurial talent; and (3) local professional training and resource mobilization. The umbrella organization is viewed as the catalyst for creating and maintaining the rural development capacity. [5,3]

41. Ford, R.L. Revitalizing the distressed community: GSOC and ESOP alternatives to enterprise zones. *Growth and Change*, 14 (4), (1983): 22-31.

Compares the relative merits of (1) the enterprise zone concept; (2) ESOPs (Employee stock ownership plans); and (3) GSOCs (General stock ownership corporations) in job creation and income growth within distressed areas. Projects that enterprise zones will attract large corporations that hire low-skilled workers, whereas the GSOC alternative will encourage the growth of small-to-medium sized firms, resulting in a better mix of low- and high-skilled workers. Also, ESOPs and GSOCs potentially offer more democratic decision making, involving the disadvantaged classes, than do enterprise zones. The model of Mondragon, the Basque cooperative system in Spain that has tapped ethnicity to develop disadvantaged areas, is cited as a means to improve democracy and innovativeness in development projects. [7,3]

42. Fosler, R.S. Tailoring economic development efforts to meet specific needs. *National Civic Review*, 73 (10), (1984): 497-502.

Suggests that economic development efforts be tailored to meeting specific local needs rather than targeting creating jobs, helping businesses, and reducing unemployment as separate goals. Two examples of "specific needs" targeting are discussed: (1) Job Creation Limited (JCL), a British firm founded in 1980 to create jobs in the U.S., England, Scotland, and the Netherlands; and (2) the Corporation for Technological Training (CTT), a Maryland nonprofit organization linking the personnel needs of high technology local firms with the skills of the labor force. The principles and objectives of these two approaches are outlined, stressing the complexities of the modern economy and the way in which the barriers between public and private initiatives and structure were overcome. [Findings, although not directly related to rural development, may be applicable, paralleling the concept of building on existing rural resources.] [3,7]

43. Furtado, L.T., and Haines, P.G. A new task...economic development and job creation. *Journal of Business Education*, 56 (5), (1981): 179-182.

It is the job of business education teachers to take an active role in developing entrepreneurs. Teachers should give encouragement and training to aspiring entrepreneurs, and assist them in establishing and expanding their own businesses. [For rural areas, this finding may be related to community college and extension programs.] [1,3]

44. Gillis, W.R. *The role of services in preserving and creating local employment opportunities*. Paper presented at Conference on Community Economic Development through the Retention and Expansion of Existing Businesses, Columbus, OH, 1985.

Discusses the need for including assistance to nonmanufacturing businesses (i.e., services) through business visitation programs to increase the effectiveness of efforts to preserve and generate local jobs. Findings included: (1) The interdependence between the production and distribution of goods and the availability of services requires the maintenance of a diversified, quality service sector to attract manufacturing enterprises; (2) Services play an important "basic" role in most local economies, bringing dollars directly into the local economies; (3) In many communities, there exists the potential for service businesses to capture a larger share of the local market; and (4) In some cases, service sector development may be more effective than manufacturing employment in achieving local economic development goals. [3,G]

45. Goode, F.M. The potential for economic development in rural communities in the Northeast. *Journal of Northeastern Agricultural Economics Council*, 10 (2), (1981): 21-28.

Alleges that the labor costs and market conditions reportedly responsible for the movement of traditional manufacturing out of the Northeast may be changing. Concludes that while the Northeast provides markets for rapid growth industries, it must also provide the skilled labor that industries require as well as the infrastructure and other financial inducements that are effective in attracting economic activity. [2]

46. Goode, F.M., and Hastings, S.E. *Northeast industrial targeting (NIT) and economic development database (EDD) system: User's manual*. University Park: Pennyslvania State University, Agricultural Economics and Rural Sociology, 1988.

A community's chances of attracting up to 69 manufacturing industries can be assessed by matching industry requirements and community characteristics. The NIT-EDD system allows the user to compare a particular community with 1,100 others in the Northeast in relation to 118 economic development variables, including labor force, tax rate, highway access, and proximity to markets. Hardware and software requirements are detailed, along with industries, variables, and communities included in the system. [2]

47. Green, B.L. *Federal outlays by type of nonmetro county*. Washington, DC: Economic Research Service, USDA, 1987.

Uses a new method of grouping federal payments to examine how the payments were distributed among nonmetro counties in fiscal year 1980. Per capita income transfers were highest in "retirement" counties offering opportunities for rural growth. These counties differed from others in several ways, including their remote locations and large service-producing sectors. Concludes that the provision of adequate health-care facilities is most necessary for economic growth. [6]

48. Greene, R. Tracking job growth in private industry. *Monthly Labor Review*, 105 (9), (1982): 3-9.

Reviews D. L. Birch's MIT Program (see above) as well as the University of California Study (1975-79) and the Brookings Microdata Project, an update (1978-80) of the D&B files used by Birch. Concludes from these three job-creation studies that small (less than 20 employees), young firms are very important to job creation. [G]

49. Harris, T.R. *Commercial sector development in rural communities: Trade area analysis*. Corvallis, OR: Western Rural Development Center, 1985.

Through the use of trade area analysis tools (trade area capture and pull factor), rural decision makers can better assess the development of their community's commercial sector, an income and job growth option that is often overlooked. Suggests that by strengthening the rural community's commercial sector, it's export base multiplier may also be increased. Concludes that the major benefit of trade area analysis is that it stimulates communities to examine reasons why they have lost pulling power and to assess possible options for recapturing lost trade. [3]

50. Harrison, B., and Kanter, S. The political economy of states' job-creation business

Found that, when applied, business incentives in state economic development plans do not produce much new employment. Rather,

incentives. *Journal of the American Institute of Planners*, 44 (4), (1978): 424-435.

these policies constitute a regressive redistribution of income. Further, interstate business incentive differentials do not appear to have a marked effect on relocation, expansion, or start-up decisions of business firms. [6,2]

51. Haugen, S.E. The employment expansion in retail trade, 1973-85. *Monthly Labor Review*, 109 (8), (1986): 9-15.

Data from the U.S. Current Employment Statistics survey based on payroll records from 250,000 businesses nationwide was used to analyze employment trends in retail trade. Concludes that the relatively strong employment growth in the retail trade division during the 1973-85 period can mostly be attributed to extraordinary growth in eating and drinking places and food stores. [No breakdown for rural areas provided.] [4]

52. Hayes, J.E. Bolstering business back home. *Telephony*, 213 (22), (1987): 30-31.

Describes Southwestern Bell Telephone Company's active role in promoting economic development in rural communities in Arkansas, Kansas, Oklahoma, and Texas. The effort includes videotapes, continual updating of network technology, and the personal involvement of Southwest Bell employees. The program has helped improve both the regional economy and the company's performance. Since a first-rate telecommunications network is important to attracting businesses, Southwest Bell is constantly updating its local switching and loop technology. [2,7]

53. Helms, L.J. The effect of state and local taxes on economic growth: A time series-cross section approach. *Review of Economics and Statistics*, 67 (4), (1985): 574-582.

Results of analysis using 1965 through 1979 annual data for 48 states indicate that state and local tax increases significantly retard economic growth when the revenue is used to fund transfer payments. However, when the revenue is used to finance improved public services the favorable impact on location and production decisions provided by the enhanced services may more than counterbalance the disincentives accompanying the associated taxes. [6]

54. Henry, M., Drabenstott, M., and Gibson, L. A changing rural economy. In *Rural America in transition*. Kansas City, MO: Federal Reserve Bank, 1988.

Concludes that the highest population growth in rural counties is occurring in retirement counties. Suggests that while rural counties involved in wholesale and retail trade do possess growth potential, they function at the expense of the traditional mainstreet businesses in small, neighboring communities. Views deregulation, especially of financial markets and the transportation industry, as contributing to rural economic stress. [7]

55. Herzog, H.H., Schlottmann, A.M., and Johnson, D.L. High-technology jobs and worker mobility. *Journal of Regional Science*, 26 (3), (1986): 445-460.

Examines the location determinants of the high-technology industry by examining the location (migration) decision of workers with high-technology occupations. Results offer no evidence to support the contention that high-technology workers are more sensitive than other workers to area characteristics such as climate, cost of living, and access to amenities, and, thus, would be willing to re-locate. [2]

56. Hirschl, T.A., and Summers, G.F. Shifts in rural income: The implications of unearned income for rural community development. *Research in Rural Sociology and Development*, 2, (1985): 127-141.

Examines the relationship between rural growth and changes in the source of income. The rise in "unearned" income (defined as income transfers and investment income) is traced as part of a nationwide trend--(data from the U.S. Bureau of Economic Analysis demonstrate that unearned income now accounts for 33 percent of total personal income.) Argues that large amounts of unearned income leads to job creation, particularly in service industries. Concludes that effective community economic planning should include an awareness of unearned income as an economic resource. Also suggests strategies for channeling unearned income flows into rural development efforts. [6]

57. Hoppe, R.A., and Saupe, W.E. *Transfer payments in nonmetropolitan areas*. Washington, DC: Economic Development Division, ERS-USDA, 1982.

Reports that transfer payments have become an important source of income in nonmetropolitan areas. General retirement programs, social security and Medicare were particularly important, paying both large per capita benefits and a large portion of personal income in nonmetro counties. In contrast, public assistance such as welfare payments contributed a relatively small share of personal income. [6]

58. Hovey, H.A. *The role of federal tax policy in employment policy*. Washington, DC: National Governors' Association, 1985.

Examines Federal tax policy affecting employment policy through four major provisions: (1) the Targeted Jobs Tax Credit (TJTC); (2) employment incentives in enterprise zone legislation; (3) individual training accounts (ITAs); and (4) employer reimbursement of employee educational expenses. Suggests that the TJTC and enterprise zone proposals are unlikely to create many new jobs (net) for the economy as a whole. Since the ITA approach is heavily dependent upon employer funding, further suggests that comparable objectives could be achieved with direct government expenditures. Concludes that the special benefits that enterprise zone, TJTC, and ITA programs extend to special groups distort the tax system relative to more neutral forms of taxes. [6]

59. Howell, J.M. Economic renaissance: *The Massachusetts experience, increasing understanding of public problems and policies--1987*. Chicago: Farm Foundation, 1987.

The Massachusetts revitalization is cast as the second most significant step in market capitalism, as nearly 100,000 new manufacturing jobs were created during the second half of the 1970s. Three key factors appear to have played a dominant role: (1) high levels of entrepreneurship; (2) a rapid process of technology transfer; (3) and aggressive capital financing. To replicate this in rural areas, Howell suggests attracting new ideas that have already become part of the existing stream of technology and creating new businesses to produce the goods and services previously imported. [2,7]

60. Hoy, F. A program for rural development from inception through implementation. *Journal of the Community Development Society*, 14 (2), (1983): 33-49.

Describes how a small business program was initiated for the purpose of private sector job retention and creation. Critical to the success of this program was the Extension Service's ability to integrate the small business program into a total economic development plan. Thus, the creation and maintenance of jobs in

the small business sect were both complementary to and dependent upon programs aimed toward labor market development, water and energy resource management, and agricultural research and development. Includes strategies for educating managers about establishing goal frameworks and improving their potential growth. [3,1]

61. Israel, C.A., McKenney, J.F., and Wartgow, J.F. Community colleges: A competitive edge for economic development. *Economic Development Review*, 5(2), (1987): 19-23.

The ability to guarantee a trained local workforce to a new or expanding company is a key incentive during site selection negotiations. This study suggests that community colleges have an opportunity to play a key role in the development of a strong, well-trained workforce. One promising approach concerns the involvement of community colleges with economic development projects in their respective localities. States that have developed joint ventures between two-year colleges and businesses include Colorado, Oregon, Iowa, Illinois, Ohio, North Carolina, and South Carolina. Community colleges are also currently in the early growth stages of working in the international markets. [1,2]

62. Kale, S.R. Stability, growth, and adaptability to economic and social change in rural labor markets. In *Symposium on Rural Labor Markets Research Issues*. Washington, DC: Agricultural and Rural Economics Division, ERS-USDA, 1986.

Discusses growth, decline, and stability factors in rural labor markets. Factors influencing change will vary among these markets. However, in areas of both growth and decline, there are likely to be people out of work or who have low incomes. To be effective, programs designed to help resolve problems in rural labor markets should be based on: a sound understanding of how recent trends fit into a long-term pattern; an assessment of the area's strengths and weaknesses for future development; and an awareness of strategies that have worked elsewhere. [G,3]

63. Killian, M.S. *Diversity and specialization: The industrial structures of rural labor markets*. Paper presented to Rural Sociological Society, 1986. (Available from author, ERS-USDA, 1301 New York Ave., Washington, DC 20005-4788.)

Focuses on the local labor market for a discussion of the issue of industrial diversity and specialization in rural areas. Argues that the local labor market (i.e., defined on the basis of commuting patterns) is a more appropriate unit for both analysis and policy purposes than either the county or the aggregate category "rural." In addition, rural labor markets are classified as having either "diversified" or "specialized" industrial structures, with descriptive statistics on mean earnings and employment rates provided for comparison purposes. [G]

64. Killian, M.S., and Hady, T.F. What is the payoff for diversifying rural economies? *Rural Development Perspectives*, 4 (2), (1988): 2-7.

Reports that half of the nation's rural economies are dominated by a few industries and about half are diversified with many industries. Concludes that diversified economies fared better overall than the rual average measured in terms of employment growth and per capita income stability. Economies that specialized in education and government showed similar economic strengths to diversified economies. [G]

65. Lasley, P., and Korsching, P.F. Examining rural unemployment. *Journal of Extension*, 22, (September-October 1984): 32-36.

Describes a research project which demonstrates a more "proactive" role played by Extension in addressing the rural unemployment problem and which documents the rural bias in official employment statistics. Using telephone interview data from a survey of all adults living in 3,125 randomly selected households in an eight-county region in Michigan, researchers found that the unemployment rate for the region was 17.3 percent, nearly three times the official unemployment rate. The communities made extensive use of the survey findings in attracting new industries and jobs into the region. Another important benefit has been the spirit of cooperation instilled in the communities by collectively addressing a locally relevant problem. [2,5]

66. Lawrence, K. Changing rural landscapes. *Choices*, (Fourth Quarter 1987): 4-7.

Defines rural development as the creation of "growth capacity" in rural areas. Calls for federal rural block grants that would be administered by a coalition of federal, state, and local groups to permit custom-designed plans for each community. [6]

67. Lloyd, R.C., and Wilkinson, K.P. Community factors in rural manufacturing development. *Rural Sociology*, 50 (1), (1985): 27-37.

Conventional theories on manufacturing development have paid little attention to the influence of community factors on the location and/or expansion of manufacturing firms in rural areas. This study argues that greater consideration must be given to community factors such as community activeness and solidarity before the current economic changes impacting rural communities can be fully understood. Items such as the presence of a local school board system are evidence of previous community activeness and symbolize local solidarity. The effects of these two factors on rural manufacturing development, in 160 nonmetropolitan communities of Pennsylvania, are estimated in a regression analysis with controls for linkages between the community and larger economic systems. Findings indicate that rural manufacturing development is influenced by community activeness in promoting growth and by the solidarity of the community. [5]

68. Long, R.B. Effects of recession, inflation and high interest rates on growth in a recreation region. *The Annals of Regional Science*, 21 (2), (1987): 86-109.

Recreation-related goods and services (skiing, condominiums, summer homes, fishing, etc.) are apparently superior economic goods; therefore, the impacts of a recession in recreational areas are different than in more traditional natural resource areas. In the county studied, employment and wage levels continued to grow between 1979 and 1983, while general economic growth was dampened, because two-thirds of total employment was recreation related. [3]

69. Luloff, A.E., and Chittenden, W.H. Rural industrialization: A logit analysis. *Rural Sociology*, 49 (1), (1984): 67-88.

Examines the location of new manufacturing industries in 221 rural New Hampshire Minor Civil Divisions. By using logit analysis, a model that permits forecasting of an occurrence of an event, in terms of probabilities (e.g., number of industries gained by a town), a five-factor location model is developed. The five factors

are: (1) population; (2) market proximity; (3) highway access; (4) agglomeration effects; and (5) local development groups. The most significant finding was that the presence of a development group in a town had a measurable effect on the chances of that town attracting an industry. [5,2]

70. Lund, D.R. *The role of vocational education in the economic development of rural areas: Implications for research and development*. Columbus: Ohio University, National Center for Research in Vocational Education, 1980.

Focusing on vocational education as a facilitator of rural economic development, the author discusses how to develop a rural community that will attract new jobs. Discussion includes: the role of local development corporations; concerns about the quality of life for employees; encouragement of the expansion of home-grown industries; and the importance of agriculture and the facilitator role of vocational education. Also presents a case study based on the experiences of the rural community of Staples, Minnesota, and implications for research. [5,3]

71. Malizia, E.E. Economic development in small cities and rural areas. *American Planning Association Journal*, 52 (4), (1986): 489-499.

Concludes from 1980s trends that job creation will be difficult in most nonmetropolitan areas. For more effective industrial recruitment, along with developing existing resources, suggests the use of local development agencies to carry out projects after unbiased analysis of potential opportunities for job creation. [5]

72. Manrique, G.G. Foreign export orientation and regional growth in the U.S. *Growth and Change*, 18 (1), (1987): 1-12.

Using 1971-81 cross-section data for 50 states and applying multiple regression analysis, the author proves that those states shifting toward foreign export orientation have experienced higher employment and output growth. However, author cautions that state efforts to promote exports may run counter to national policy, as in the case of a grain embargo. [7]

73. McCalley, H., and Silkman, R. *Inquiry into the impact of state and local taxation on industry location*. Washington, DC: Economic Development Administration, Research and Evaluation Division, 1982.

The authors take an empirical look at the relationship between state and local taxes on industrial location. The results point to the absence of any systematic relationship between taxes and firm location at either the state or local level. The empirical evidence suggests that the competing efforts of state and local governments cancel each other out and give windfall profits to large industry. The authors conclude that tax incentives are neither efficient nor equitable for economic development. [6,2]

74. Miller, J.P. Interstate highways: Influencing rural jobs? *Rural Development Perspectives*, (March 1980): 35-36.

Compares the rate of employment growth in nonmetro counties with and without interstate highways, 1967-71 and 1971-75. Analysis shows that the initial positive impact of interstate highway development on employment growth is reversed after completion of the system, with the pattern of job growth favoring counties <u>not</u> directly served by the interstates. The interstate system was also found to attract manufacturing to some parts of rural America. [2]

75. Miller, J.P. *Recent contributions of small businesses and corporations to rural job creation*. Washington, DC: Economic Research Service, USDA, 1987.

Analysis of private, nonfarm job creation data in nonmetropolitan areas suggests that the contribution of small businesses (i.e., those with fewer than 100 employees) to rural employment growth may be larger during a period of rapid employment growth (i.e., 1976-80) than during a period of sluggish growth (i.e., 1980-87). Cautions that while the creation of small local businesses can help rural communities expand employment, the failure rate of such businesses is higher than of established businesses. [G]

76. Miller, J.P. Rethinking small businesses as the best way to create rural jobs. *Rural Development Perspectives*, (October 1985): 9-12.

Presents new data that show that the local economies of rural counties depend more on corporate affilates for new job growth than do urban counties. Also concludes that jobs generated by small, independent businesses in rural counties appear to be less stable and less permanent, and, therefore, more vulnerable to economic changes than jobs in affiliated firms. [G]

77. Miller, J.P., and Bluestone, H. Prospects for service sector employment growth in nonmetro America. In *Rural economic development in the 1980's: Preparing for the future*. Washington, DC: U.S. Department of Agriculture, Agriculture and Rural Economy Division, 1987.

Studies the extent and nature of employment growth in the service sector on a national basis, with a special focus on differences between nonmetro and metro areas. Growth in both kinds of areas appears to be largely explained by changes in demography, household incomes, consumer tastes, and technology. However, the link to growth in goods production is stronger for nonmetro areas. Preliminary analysis of recent employment trends suggests that nonmetro areas may continue to lag behind metro areas in services unless they can capture a larger share of the nation's goods production or expand export services. [G,7]

78. National Alliance of Business. *Job creation economic development: The role of private industry councils*. Washington, DC: National Alliance of Business, 1982.

Designed specifically for private industry councils (PICs), this guide introduces the subject of economic development and job creation and highlights the impact PICs can make through carefully chosen involvement in local economic development efforts. Includes an introduction to economic development; ideas on the PIC's role in economic development; and practical suggestions for what a PIC can do. Also contains resource materials for use by PICs in day-to-day coordination with economic development programs; ten case study models of successful linkage experiences; a PIC self-assessment worksheet; a PIC economic development linkage worksheet; an annotated listing of sources (organizations) of technical assistance; a list of federal economic development programs; and a bibliography. [Though not specifically related to rural areas, this study may benefit local rural leaders.] [G,5]

79. National Alliance of Business. Montana labor organization promotes jobs in small business. *Showcase*, 5 (8), (1983): 2.

Beginning in 1981, Montana's lumber and mining industries suffered an unprecedented loss of jobs, having a devastating effect on the entire state. The AFL-CIO's Human Resource Development Institute (HRDI) stepped forward with a retraining plan called "Project Challenge." Each of five program sites enrolls

25 people quarterly and offers them one week of job search training and 90 days of individualized counseling and job search assistance. In addition, the program can arrange for basic education classes, on-the-job training reimbursements for an employer, or specialized skills training at a local vocational technical school. Nearly 70 percent of the 400 participants served by Project Challenge annually find jobs, usually with the small companies that are considered the basis of Montana's employment future. [1]

80. National Rural Center. *Rural economic development in the United States*. Washington, DC: U.S. Department of Commerce, Economic Development Administration, 1981.

Covers a broad range of U.S. rural economic development issues. Suggests that development financing instruments be packaged for greater flexibility and effective targeting, including the use of local development business organizations to find deals. [6,5]

81. Nelson, J., and Tweeten, L. Systems planning of economic development in eastern Oklahoma. *American Journal of Agricultural Economics*, 57 (3), (1975): 480-489.

Develops and utilizes a model which simulates the results of potential policy strategies directed toward alleviating problems of underdevelopment in rural areas. For each strategy simulated, limited public funds are assumed allocable among various types of development activities (i.e., public assistance, human development, and job development). Findings indicate that with a 30-40 percent annual increase in development allocations, study area poverty can virtually be eliminated within 15 years, and that public assistance and industrialization programs are the necessary bases for potentially successful development plans. [6,2]

82. Nelson, J.I., and Lorence, J. Industrialization and income change: Rural-urban comparisons in a decade of affluence. *Sociological Perspectives*, 28 (1), (1985): 71-86.

Using census data from all existing U.S. counties, the authors examine industrial change during the 1960s, an historically important decade of unprecedented affluence and change in rural-urban manufacturing employment. Regression analysis of shifts in median family income shows that while small towns benefitted from the migration of industry or the expansion of existing facilities, the benefits did not equal the income lost from a decline in manufacturing jobs in large metropolitan areas. The findings are consistent with Bluestone's and Harrison's contention that industrial change results in a net loss of income to U.S. workers. A major conclusion is that while many U.S. sociologists were celebrating alliances between business and labor, forces were at work undermining worker income and prosperity. [2,G]

83. Nelson, R.E., and Peverly, P. *Annotated bibliography: Job creation and vocational education*. Urbana: University of Illinois, Department of Vocational and Technical Education, 1980.

Contains annotations of 150 publications dealing with job creation and economic development. Focuses on more recent publications, but includes some from the past 15 years in order to show the evolution of the job creation process. Materials are organized into nine major sections: (1) Human Resource Development; (2) Statistical Information; (3) Vocational and Career Information; (4) Public/Private Involvement; (5) Work-Related Projects; (6)

Economic Factors; (7) Illinois Manpower Information; (8) National Manpower Policies; and (9) International Manpower Policies. [This work is not directly related to rural areas, but may prove useful as a source of research material on job creation.] [G]

84. Office of Rural Development Policy. *Better country: A strategy for rural development in the 1980s*. Washington, DC: U.S. Department of Agriculture, 1983.

The report of the 25-member National Advisory Council on Rural Development, appointed by the U.S Secretary of Agriculture, defines rural needs and sets forth strategies for rural development in the 1980s. A review of the decade between 1970 and 1980 discusses the rapid economic growth of rural areas, social progress, and changes in public service, and provides tables showing changes in population concentrations (1970-80), Americans' residential preferences (1948-78), and structure of nonmetropolitan employment (1973-81). Rural needs identified by a public participation process are grouped under: (1) improvements in facilities and services (including education); (2) local government; (3) housing; and (4) employment and income. Outlines the Administration's governing philosophy, the New Federalism. Prescribed strategy includes the Federal-State Block Grant Program to improve facilities and services; efforts to reduce reporting and regulatory requirements for rural development programs; the proposed Technical Rural Assistance Information Network, Rural Resources Guide, and rural data collection improvements; rural housing block grants; proposed rural enterprise zones; reform and expansion of trade to develop foreign markets for rural products; and efforts to increase availability of credit for rural development. [G]

85. Oliveira, V.J., and Kuehn, J.A. *Distribution of employment growth in 10 Ozark counties: A case study*. Washington, DC: Economic Research Service, USDA, 1987.

Identifies the employment contributions associated with different types of employment establishments, measures the distribution of jobs among various population subgroups in ten Ozark counties, and analyzes the role of government funding in the economic growth process in a five-year period, 1978-1984. The area selected experienced considerable growth in new and expanded businesses and employment, with 30 percent of the wage and salary jobs in the area developed after 1978. The survey results show that the role of government in providing direct capital to private businesses in the area was limited, with only five percent using direct grants or guaranteed loans during the preceding twelve years. Large firms and goods-producing industries benefited more from public funds than did small firms and service producers. [6]

86. Organisation for Economic Cooperation and Development. *Direct job creation in the public sector: Evaluation of national experience in Canada, Denmark, Norway, United Kingdom, United States*. Washington, DC: OECD Publications and Information Center, 1980.

Examines selected public sector direct job creation schemes that were in operation in 1977-78 in Canada, Denmark, Norway, the United Kingdom, and the United States. Based on responses to a questionnaire and discussions with officials in the five countries, the report shows the results of a series of different job creation programs, suggests the implications of the various existing program types, and outlines their common characteristics. Includes data pertaining to: number and type of jobs created; characteristics of

		participants (i.e., employment status, sex, age, educational attainment, economic status); target success; transition and postprogram experience; attitudes and satisfaction; wages; net costs; net job creation/displacement; start-up and phase-out; value of output; and financing of programs. [G]
87.	Papke, L.E. Subnational taxation and capital mobility: Estimates of tax-price elasticities. *National Tax Journal*, 40 (2), (1987): 191-203.	Describes an econometric study of the effect of interstate tax differentials on the location of new manufacturing businesses. Found that tax burden differentials are statistically significant and negatively related to the size and location of a capital investment. The empirical results contradict the opinion that state and local taxes exert little or no influence on business location decisions. [6,2]
88.	Ponte, R. An economic development approach for small cities. *American Planning Association Journal*, 52(3), (1986): 349-354.	Describes how small cities are launching their own development efforts based on the example of large cities. Suggests that small cities use a market-oriented method and adopt a problem-solving approach capable of early achievements. The key is to provide enhanced business environments where companies in growing economic sectors can find competitive sites. [2]
89.	Pulver, G.C. The changing economic scene in rural America. In *States' Agenda for Rural Economic Development, conference proceedings*. Lexington: University of Kentucky, Cooperative Extension Service, 1987.	Summarizes the determinants of rural development and job creation (industrial location) according to five critical criteria: (1) access to knowledge; (2) capital; (3) telecommunications; (4) transportation; and (5) high quality living environment. Points out the need for comprehensive rural development policy. Concludes that the single most important initiative for states is to expand the education and technical assistance about community economic development to units of local government and community leaders in rural areas. [2,5]
90.	Pulver, G.C., and Rogers, G.R. Changes in income sources in rural America. *American Journal of Agricultural Economics*, 68 (5), (1986): 1181-1187.	Discusses economic revitalization of rural America in terms of a comprehensive rural economic development policy. Central to the development of that policy is the recognition of important changes over time in the sources of income in rural areas. Concludes that the survival of rural communities depends equally on policies affecting farm incomes and on the expansion of nonfarm income and employment opportunities. Apart from attracting manufacturing industries, rural communities can achieve economic growth from other sources, such as tourism, service industries, dividends, interest, rent, and social security benefits. [G]
91.	Redwood, A. Job creation in nonmetropolitan communities: Issues for state policy. In *States' Agenda for Rural*	Identifies five foundations for economic development and job creation at the state and community levels: (1) infrastructure capital; (2) innovation capital; (3) commitment capital; (4) financial

Economic Development, conference proceedings. Lexington: University of Kentucky, Cooperative Extension Service, 1987.

capital; and (5) human capital. Concludes that all five foundations are necessary and that each presents major policy dilemmas, with human resource development constituting the greatest challenge. [G,1]

92. Rones, P.L. An analysis of regional employment growth, 1973-85. *Monthly Labor Review*, (1986), 109(7): 3-14.

Using data from the U.S. Department of Labor's Current Employment Statistics survey aggregated into nine census divisions, regional employment growth is analyzed (does not include agriculture). Suggests that any regional advantage in employment growth is often short-lived. The period of decline may actually create the conditions for future growth, while the forces of growth may ultimately result in a loss of competitive edge. Examples include reversal from the Snowbelt to the Sunbelt as New England's economy is being restructured. [G,3]

93. Rones, P.L. Moving to the Sun: Regional job growth, 1968 to 1978. *Monthly Labor Review*, 103 (3), (1980): 12-19.

Concludes that regional job growth and decline occur not only because of changes in comparative advantage between regions but also as a result of public policy. Between 1968 and 1978, increased Federal contract dollars helped to expand job opportunities in the Sunbelt, causing a large migration from the North to the Sunbelt area. Federal defense, welfare, energy, transportation, and water policies are cited as key determinants of regional job creation. [6]

94. Rosen, C., and Klein, K. Job-creating performance of employee-owned firms. *Monthly Labor Review*, 106 (8), (1983): 15-19.

Survey data suggest that employee-owned firms create jobs three times faster than their conventional counterparts. Employee ownership plans include: ESOPs (employee stock ownership plans), cooperatives, and other such as direct purchase plans. Contrary to popular belief, employee buyouts of troubled companies actually represent only a small percentage of all employee-owned companies. [7]

95. Ross, P.J., and Rosenfeld, S.A. Human resource policies and economic development. In *Rural economic development in the 1980's: Preparing for the future*. Washington, DC: U.S. Department of Agriculture, Agriculture and Rural Economy Division, 1987.

Examines major education and training policies and programs that contribute to rural economic development. Concludes that few programs address the unique needs of rural communities, noting only modest differences due to substantial public investments in education and training programs. Proposes new policy directions that recognize the disadvantages unique to rural people and the strengths of rural institutions. [1]

96. Russell, E.B. *Job creation: The role of local and state leaders in vocational education*. Urbana: University of Illinois, Department of Vocational and Technical Education, 1980.

Argues that vocational education can contribute to the creation of new jobs through educational programs for employers or prospective employers and through collaborative efforts with community leaders. However, such a contribution is dependent upon strong leadership at the state and local levels. Local leadership is seen as the most essential ingredient because local leaders are familiar with their economic conditions and the

availability of resources. They can also identify the community goals to which vocational education can contribute and define the joint responsibilities of civic, business, industry, and educational leaders. At the same time, state leaders need to work with local leaders to implement programs. Coordination at the state level is seen as providing a number of advantages over local education alone, including wider program accessibility and a minimum amount of lead time for training. [5,1]

97. Ryan, V.D. The significance of community development to rural economic development issues. In *States' Agenda for Rural Economic Development, conference proceedings*. Lexington: University of Kentucky, Cooperative Extension Service, 1987.

Concludes that an "active" community has a better potential for income growth and job creation. Recommends external assistance for rural communities that are experiencing low levels of activeness, based on the assumption that every community has the latent potential to mobilize concerns of common interests. Also suggests that active community involvement in promoting economic development improves an area's ability to obtain public funding for specific projects. [5,6]

98. Saupe, W.E., and Salant, P. *Programs and policies to assist displaced farmers*. Washington, DC: National Commission for Employment Policy Research, 1988.

Examines and evaluates both public and private efforts to assist dislocated farmers, with particular emphasis on employment and training programs. Identifies five key elements in successful retraining programs that lead to high new entry employment rates: (1) use of trained field staff for outreach activities; (2) establishment of program eligibility criteria that facilitates the enrollment of target population with a minimum of delay and embarrassment; (3) designation of a neutral service center; (4) statewide leadership and cooperation; and (5) state structure that permits the support of the most aggressive local projects, regardless of their institutional affiliation. Suggests that job training is not enough to insure long-term economic well-being and that longer-term solutions to structural economic problems are essential components of national and locally based solutions. [1]

99. Schaub, J.D., and Oliveira, V.J. *Distribution of employment growth in 10 Georgia counties: A case study*. Washington, DC: Economic Research Service, USDA, 1985.

Study identifies the source and distribution of jobs, as well as state government's contribution to rural economic growth, in a ten-county area in southern Georgia which had a net increase of 16,000 new jobs during the period 1976-81. Based on survey data, growth from expansion of ongoing establishments was found to create jobs more uniformly across the goods, services, and government sectors than was growth from new establishments that created jobs primarily in the service sector. However, new and larger employers were found to be the more important sources of new jobs than their smaller, ongoing counterparts. The area's vulnerability to employment and operating decisions made outside the local area was assessed by examining the characteristics of multi-establishment firms with headquarters located elsewhere. This vulnerability was found to be limited where branch manufacturing plants had substantial linkages with input resources from the area. The study found that few establishments depended on public sector funding, with less than two percent of

businesses surveyed reporting they had workers whose wages were paid or supplemented by federal and state employment programs. Local government was found to indirectly assist economic growth by improving the infrastructure which supported commerce and attracted new employers. [3,2,6]

100. Seyfrit, C.L. *Migration intentions of rural youth: Testing an assumed benefit of rapid growth*. Paper presented to American Sociological Association, 1986. (Available from author, University of Wisconsin-Oshkosh.)

Examines the relationship between rapid rural growth and the retention of rural youth. Statewide data from 970 high school seniors in rural counties of Utah provided no support for the beneficial retention hypothesis, i.e., no significant differences were found in student migration intentions between rapid-growth and comparison counties. [This study implies that rural economic development projects may not be sufficient to prevent out-migration of rural youth.] [G]

101. Shaffer, R., Salant, P., and Saupe, W. Rural economics and farming: A synergistic link. In *Conference proceedings, Interdependencies of Agriculture and Rural Communities in the Twenty-first Century: The North-Central Region*. Ames: Iowa State University, 1986.

Uses welfare, export base, and central place theories to help explain the interaction between farm households and rural communities. Concludes that attempts to diversify and develop the economies of rural communities must not be viewed as competitive with a viable farming sector. Suggests that many of the sectors that were previously thought of as followers of changes in the export sector are leading in the economic change of rural communities, including changes in telecommunications, transporation and finance. [G,3]

102. Smith, E.D., Deaton, B., and Kelch, D. Cost-effective programs of rural community industrialization. *Journal of the Community Development Society*, 11, (November 1980): 113-125.

The advisability of developing economic incentive programs to attract manufacturing industry to rural communities involves two considerations: (1) the potential success of the programs; and (2) the community's ability to select relatively cost-effective strategies. Information from a two-state statistical study is provided as a basis for evaluating the effectiveness of community actions including development of high quality plant sites, industrial bond financing, and improved financial support to schools. [2]

103. Smith, G.W., and Willis, D.B. *The contribution of investment and transfer payment incomes to the growth and stability of Washington counties, 1965-81*. Paper presented at Pacific Northwest Regional Economics Conference, Pullman, WA, 1984. (Available from authors, Washington State University, Pullman.)

Transfer payments and investment incomes in the form of dividends, interest, and rents are becoming increasingly significant contributors to the economic growth and vitality of many counties of the Pacific Northwest. In 1981 and 1982, for example, the incomes from these two sources exceeded the combined earnings from manufacturing and services, the two largest private industry employers. And for the small Washington county of San Juan, the income from transfer payments and investments comprised 61.4 percent of its total personal income! This suggests that the narrow rural growth strategy of expanding industry employment and earnings overlooks the potential role, and importance, of income sources such as dividends, interest, and rents. [6]

104. Smith, S.M. Export orientation of nonmanufacturing businesses in nonmetropolitan communities. *American Journal of Agricultural Economics*, 66 (2), (1984): 145-155.

Argues that nonmetro communities should adopt a nonmanufacturing focus to expand their economic base. Since nonmanufacturing businesses form a part of the export base in these communities, Smith concludes that they should be included along with manufacturing in employment generation and economic development programs. While only a minority of the nonmanufacturing businesses were found to be export-oriented, those businesses were strongly export-oriented. Larger size, nonlocal ownership, and larger nonmetropolitan markets are associated with higher export levels, while proximity to a metropolitan market is not. [7,4]

105. Smith, S.N. Six ways states can spur their local economies. *Rural Development Perspectives*, 4 (2), (1988): 5-14.

Suggests six tactics for a successful rural economic strategy: (1) determine local competitive advantages; (2) target infrastructure support; (3) provide financing for demonstration, innovation, and transition (but not for ongoing economic activity); (4) provide marketing and business management support; (5) assure adequate management of natural resources; (6) support alternative agricultural systems closely linked to local economy. [G]

106. Spears, J.D. *Education's response to the rural crisis: Model programs in the Midwest*. Manhattan: Kansas State University, 1987.

Provides an inventory of model programs developed by various agencies to assist commercial farmers and dislocated rural people affected by massive economic failures in American agriculture. The focus on education's response to people in crisis is based on the belief that effective rural development must ultimately be "home grown," with regional networking of educational programs, funding agencies, and consultants facilitating action. The inventory reflects the diversity of the programs, including job training, career assessment, political advocacy, financial and legal counseling, new market development, and stress management. A total of 93 entries from eight Midwest states are described, including outcomes, funding resources, and contact agencies. Several entries deal with developing supplemental income sources for farm families through the creation of home-based business opportunities, as well as assisting in identifying and securing new goods and services to replace lost commodity markets. [1,4,5]

107. Stevens, J.B., Bunch, K.L., and Soth, B.M. *New shops on Main Street: A growth industry*? Corvallis: Oregon State University, Agricultural Experiment Station, 1981.

Concludes that self-employment by in-migrants from other states is not a "growth industry" in the sense of expanding the local economic base. More generally, these new firms compete with existing firms and do little to expand the total number of local job opportunities. The new owners in the study were generally young, well-educated people who desired to live in environmentally attractive areas. [2]

108. Summers, G.F., and Hirschl, T.A. Capturing cash transfer payments and community economic development.

Examines the relationship between community economic development and transfer payments (unearned income). Initially argues that the fundamental restructuring of society is changing the

Journal of the Community Development Society, 16 (2), (1985): 121-132.

context for community economic development. Citing data from the U.S. Bureau of Economic Analysis, authors show that transfer payments, especially to retirees, constitute a significant percentage of total personal income. Argues that large amounts of unearned income flowing into rural areas in the 1960s and 1970s resulted in economic growth and job creation, particularly in service industries. The formation of local capital through cash transfers and nationwide marketing strategies is seen as a possible way to channel unearned income flows into developmental efforts. [6]

109. Sumner, D.A. The off-farm labor supply of farmers. *American Journal of Agricultural Economics*, 64 (3), (1982): 499-509.

Confirms the sensitivity of off-farm work to economic incentives, using data from a 1971 survey of Illinois farmers. A ten-percent increase in the off-farm wage was found to increase off-farm work (in hours) eleven percent, primarily replacing farm work rather than increasing total hours worked. Suggests that flexibility in farm labor markets permits human capital transfers between farming and other activities, with much lower adjustment costs than those associated with complete entry and exit of farms. Also suggests that the responsiveness of farmers to off-farm wage opportunities has important implications for resource adjustments, namely, that there may be more farm entrepreneurs, and a larger farm labor force, than exist in a structure of only "full-time" farms. [3]

110. Swanson, L.E., and Skees, J.R. Funding new ideas for old objectives: The current case for rural development programs. *Choices*, (Fourth Quarter 1987): 8-11.

Considers three priorities for rural development: (1) education, (2) employment, and (3) community infrastructure. Suggests that up to $4 billion be transferred from farm commodity programs to rural development, while at the same time targeting medium-sized farms for federal assistance. This proposal is not expected to address the majority of rural America's problems, but it recognizes that rural development will not occur "naturally." Further, the redistribution of funds would emphasize educational reform and federally assisted, but locally directed, economic development. [6]

111. Swanson, L.L., and Butler, M.A. *Human resource base of rural economies*. Paper presented to Rural Sociological Society, 1987. (Available from author, Population Section, ERS-USDA, Washington, DC.)

Suggests that nonmetropolitan counties are at a disadvantage, compared to metropolitan counties, in terms of human resources (i.e., labor force). This is due largely to the outmigration of rural young people--the nonmetropolitan United States has a lower proportion of people in the prime working ages of 20-44 than does the metropolitan United States. Discouraged workers and high levels of work-preventing disability have contributed to this lower rate of nonmetropolitan labor force participation. In addition, workers in nonmetropolitan areas, particularly in the South, have lower educational levels, as indicated by higher high school dropout rates, lower average adult education, and lower proportions of college-educated adults. Concludes that better job opportunities in nonmetropolitan areas are necessary to reduce outmigration and to provide an incentive for increased education. [1]

112. Tevis, G. Small towns scramble for new jobs. *Successful Farming*, (March 1986): 14-15.

Describes the success of a foresighted rural Iowa community which launched a development corporation in the 1970s while other communities were being blindsided by the prosperity of the agricultural boom. Through local business subscriptions, an industrial park was developed, attracting thirteen new industries in sixteen years. The community tax base increased fivefold and the work force increased by 41 percent. The impact of a more diversified economy has had a ripple effect on local schools, hospital and health care as well. The development corporation has not focused on the retail sector, expecting service business to develop simultaneously with new industry. [5,2]

113. Thomas, M.G. *Profiles in rural economic development*. Kansas City, MO: Midwest Research Institute, 1988.

Highlights 64 successful economic development initiatives in rural counties or in communities with populations under 10,000. Contains descriptive profiles, along with contact agencies and names of specific projects that have produced measurable benefits in terms of employment and income. Concludes that initiators have taken at least one--and usually several steps--in what is termed the "hallmarks of successful rural development efforts." Examples range from an industrial park initiative in Litchfield, Michigan, which resulted in a $10 million investment and the creation of 600 jobs in three years, to a public entrepreneur stock issue in Prophetstown, Illinois, that led to the purchase of a furniture manufacturing company, which required no public expenditures and created 11 jobs. [The "hallmarks" are listed in the introduction of this report.] [G]

114. Thomas, M.G. *A rural economic development source book*. Kansas City, MO: Midwest Research Institute, 1986.

Provides a compilation of development strategies for small towns and rural areas to assist local officials, community leaders, and economic development professionals. Selected materials possess a strong "how to" component. Current success stories, as well as contacts for further information, are included. Organized into four sections: (1) organizing and planning for economic development; (2) economic development strategies; (3) economic development tools and techniques; and (4) periodicals for ongoing subscription information. [G]

115. Tweeten, L. Rural labor market performance. In *Symposium on Rural Labor Markets Research Issues*. Washington, DC: Agricultural and Rural Economics Division, ERS-USDA, 1986.

Discusses national manpower policies, with particular emphasis on rural manpower, and identifies data and analysis needs for further research. Summarizes the new manpower policy--the Job Training Partnership Act (JTPA) of 1982--as increasing accountability by moving decisions closer to those who provide, and receive, labor force services. By emphasizing state and local training services, rather than federal training programs, higher rates of placement and return on investment can be expected. However, state and local governments frequently ignore the manpower needs of the disadvantaged. The prospects for JTPA in rural areas are not clear and will require further analysis. [1,3]

116. U.S. Comptroller General. *More can be done to ensure that industrial parks create new jobs*. Washington, DC: U.S. General Accounting Office, 1980.

Based on a review of 101 industrial park projects funded by the U.S. Economic Development Administration, this report to Congress concludes that 27,072 jobs were saved or created at a cost of $41.4 million. However, problems were encountered in a number of projects, necessitating three specific recommendations: (1) require feasibility studies to determine if proposed parks stand a good chance of attracting businesses and creating jobs for area residents; (2) establish a management assistance program to help underutilized projects attract businesses; and (3) control business relocations that do not provide additional jobs for area residents. [2]

117. Wardwell, J.M. *Migration research in the West, 1982-1987: A review of the literature*. Corvallis, OR: Western Rural Development Center, 1987.

Provides a review of the literature dealing with migration in nonmetropolitan areas of the West. One conclusion suggests that migrants from nonmetropolitan areas can provide some employment and income-related benefits, whereas, among those in the labor force, metropolitan migrants were more likely to be unemployed. [G]

118. Watkins, D.A., and Allen, T.G. Rural revitalization: Role of and policies for entrepreneurship. In *Increasing understanding of public problems and policies--1987*. Oak Brook, IL: Farm Foundation.

Discusses the relationship between small farms and entrepreneurship in rural areas to promote growth and employment, including the adaptability of the incubator concept. Suggests that incubator operations in rural areas need to take on an additional set of functions, such as outreach, community organization, and technology transfer. [7]

119. Weiss, B. *An empirical analysis of unmet demand in domestic capital markets in five U.S. regions*. Springfield, VA: U.S. Department of Commerce, National Technical Information Service, 1981.

Estimates that as many as 70,000 financially sound, small independent firms, particularly those in rural areas, have significant unmet needs for intermediate and long-term financing. The survey data reported includes a chart that lists and ranks the capital and noncapital factors affecting business location decisions and statistics showing the awareness and usage of governmental financing programs. [2,6]

120. Ziegler, J.M. Barriers to full employment of rural youth. *Children and Youth Services Reviews*, 2, (1980): 1-2, 63-80.

Analyzes institutional and structural barriers to full employment for rural youth and recommends a holistic approach to new policies. Examines differences and similarities between rural and urban youth unemployment. For example, restricted job numbers and types, less access to transportation, and less service infrastructure are seen as typically rural concerns, while modernization and the experience of unemployment problems are held as applicable to both groups. Further barriers for the rural sector include: economic vulnerability; inadequate school preparation for available positions; lack of access to social/institutional networks; and intensification through sex and race discrimination. Outlines policy initiatives for comprehensive job training and creation, establishment of school-to-work councils, infrastructure development, and rural economic diversification. [G,1]

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